

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/25/2011

Forest
[redacted] City Ratner, was interviewed at the United States Attorney's Office for the Southern District of New York, One St. Andrews Plaza, New York, New York. Also present were [redacted] attorneys [redacted] and [redacted], and Assistant United States Attorneys [redacted] and [redacted]. After being advised of the identities of the interviewers and the purpose of the interview, [redacted] provided the following information:

b6
b7c

[redacted] knew [redacted] through his positions with the city council. [redacted] offered [redacted] a job with Forest City Ratner and [redacted] began working in government affairs and public relations in approximately February 2002.

b6
b7c

[redacted] lived in the [redacted] section of Brooklyn at

KRUGER was in charge of the Georgetown Civic Association. [REDACTED] was introduced to KRUGER when the civic association was protesting the proposal to build a supermarket on Avenue L. [REDACTED] was in high school at this time. He later saw KRUGER again when [REDACTED] joined the Thomas Jefferson Democratic Club in approximately 1977/1978. KRUGER was a member of the club before [REDACTED]

KRUGER worked for Assemblyman STANLEY FINK with the Democratic Assembly Campaign Committee. This is the position KRUGER held before the Community Board. [REDACTED] did some work for this committee while KRUGER worked there.

Investigation on 05/25/2011 at New York, New York

File # 194B-NY-296800 Date dictated

SA

Date dictated

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

b6
b7c

[Redacted]

525.wpd -415

14B-NY-296802
06/09/2011 pb

(i) JPS

[Redacted]

[Signature]

see a-50
1A1-70

b6
b7c

)

)

194B-NY-296800

Continuation of FD-302 of [redacted]

, On 05/25/2011, Page 7

b6
b7COlympian Strategic Development Corp.

[redacted] was shown a copy of an Olympian Strategic Development contract with Forest City Ratner dated June 29, 2007. [redacted] stated that he has never seen this contract before. He also believes that [redacted] has never seen this contract. [redacted] cannot recall having any conversation which discussed MICHAEL [redacted] TURANO being paid by Firebird. He also had no knowledge of either [redacted] or KRUGER having a financial relationship with any entity that had a contract with Forest City Ratner.

[redacted]

b6
b7CMILL BASIN (FOUR SPARROWS)

[redacted] spoke often to KRUGER about Atlantic Yards, however, once the Mill Basin development project was in progress, their contact tripled. KRUGER was the elected official that [redacted] had contact with most often in Forest City Ratner's offices. [redacted] spoke frequently to LEW FIDLER but not as much as he did to KRUGER. His most frequent contact with a politician was with KRUGER.

b6
b7C

[redacted] does not know when Forest City Ratner first became involved in the development in Mill Basin. The project was awarded to Phillips-Polepsky (ph) but they later asked Forest City Ratner to assist them. Forest City Ratner purchased a 75% interest from them. The initial thought was to develop a Home Depot at this location. The community was against developing a big box store. There was a Home Depot Express located nearby that was causing traffic issues. [redacted] was able to get Home Depot to agree to close the Home Depot Express if they were able to put a Home Depot

b6
b7C

194B-NY-296800

Continuation of FD-302 of [redacted]

, On 05/25/2011, Page 8

b6
b7c

at this location. He then went to FIDLER to make the pitch about closing the one Home Depot in exchange for the new Home Depot. FIDLER told [redacted] that if KRUGER supported the plan, he would also. FIDLER didn't want KRUGER beating him up about the issue. FIDLER asked [redacted] to handle KRUGER. It took too long to get them to agree to the big box and by the time they had, the recession hit. Home Depot was no longer opening new stores.

This location in Mill Basin, known as Four Sparrows needed a zoning change. The property was city owned. In order to obtain a zoning change they had to go through the ULURP process which requires Community Board and City Council approval.

The process was very slow. A Cadillac dealership, Crystal Cadillac was slated to be developed where a Toys R Us was and the Toys R Us was going to move to another location at Four Sparrows. The city suggested they segment the property into different parcels and just approve the Cadillac dealership/Toys R Us parcel first. Both KRUGER and FIDLER approached [redacted] to discuss this situation. It was difficult to obtain one zoning change and would be nearly impossible to get a second approval.

b6
b7c

[redacted] received notice about hearings regarding this segmentation issue. She notified KRUGER about the hearings and KRUGER told [redacted] about them. [redacted] was able to gather support of several elected officials so that the approvals would all be done at once. There was a huge meeting about the matter. [redacted] was at the meeting, along with attorney's for Vornado Realty (who owned the Toys R Us), Crystal Cadillac, [redacted] and other Forest City Ratner employees, along with two or three representatives from EDC. [redacted] said the meeting became ugly. KRUGER and [redacted] from Crystal Cadillac went at it at the meeting, KRUGER challenged [redacted] and said that he was no minority. The city later agreed to keep the project as one project without segmentation.

At another meeting held by DEPUTY MAYOR KEVIN SHEEKY (ph) for a project update, the topic that Williams gas company wanted to put a natural gas pipeline outlet on the property came up. Williams said they only needed a small space and would lease the property. [redacted] said the community and elected officials know nothing about this proposal. They had another meeting to let the elected officials know about this proposal. The elected officials destroyed the Williams representative with questions.

b6
b7c